



U.S. Immigration
and Customs
Enforcement

April 20, 2005

News Release

INTERNATIONAL INTERNET DRUG RING SHATTERED ***E-Traffickers Arrested: Australian/Indian/Costa Rican/Canadian Cyber Criminal Alliances*** ***Shut Down***

Drug Enforcement Administration (DEA) Administrator Karen P. Tandy today announced the results of Operation "Cyber Chase", a year-long Organized Crime Drug Enforcement Task Force (OCDETF) investigation that targeted international Internet pharmaceutical traffickers operating in the United States, India, Asia, Europe and the Caribbean. These e-traffickers distributed drugs world-wide using "rogue" Internet pharmacies.

Over the past 48 hours there were 20 arrests in eight U.S. cities and four foreign countries. Domestically arrests occurred in Philadelphia, Pennsylvania; Ft. Lauderdale and Sarasota, Florida; Abilene and Tyler, Texas; New York, NY; Greenville, SC; and Rochester, New York. Internationally arrests occurred in San Jose, Costa Rica; New Delhi, Agra, and Bombay, India.

Operation "Cyber Chase" targeted major pharmaceutical drug traffickers who allegedly shipped Schedule II-V pharmaceutical controlled substances including narcotics, amphetamines, and anabolic steroids directly to buyers of all ages without the medical examination by a physician required by U.S. law.

These e-traffickers used more than 200 websites to illicitly distribute pharmaceutical controlled substances. Cyber Chase is part of DEA's "On-Line Pharmacy Investigation Strategy" spearheaded by DEA's Special Operations Division (SOD). SOD is a joint law enforcement program which is comprised of agents and analysts from the DEA, ICE, IRS and FBI as well as attorneys from the Department of Justice's Criminal Division.

Operation Cyber Chase began after the DEA Philadelphia Division identified a Philadelphia-based international Internet drug trafficking organization, allegedly headed by Indian nationals Brij Bhusan Bansal and Akhil Bansal. The Bansal Organization allegedly repackaged controlled substances smuggled into the United States from India and other countries and distributed them throughout the U.S. and the world.

Since July 2003, the Bansal Organization distributed approximately 2.5 million dosage units of Schedule II-V pharmaceutical controlled substances including Vicodin (hydrocodone), anabolic steroids, and amphetamines per month.

DEA Administrator Karen P. Tandy said, "For too long the Internet has been an open medicine cabinet with cyber drug dealers illegally doling out a vast array of narcotics, amphetamines, and steroids. In this first major international enforcement action against online rogue pharmacies and their sources of supply, we've logged these traffickers off the Internet."

"This investigation dismantled a major source of illicit pharmaceuticals that posed a significant public health threat. Closing down these illegal, Internet drug pipelines is essential to protecting consumers of pharmaceuticals," said Michael J. Garcia, Assistant Secretary of Homeland Security for Immigration and Customs Enforcement.

John Walters, Director of National Drug Control Policy said, "Prescription drugs help millions of Americans every day. But their misuse is becoming a serious problem, abetted by drug traffickers who are using the Internet to attempt to subvert our medical prescription system. E-traffickers that target young people and those suffering from the disease of addiction are now the target of law enforcement action, while we continue to ensure proper access to needed medications. I would like to thank and applaud the agencies and offices involved in this investigation as their efforts truly make America safer."

"The FBI remains committed to investigating the illegal sale of pharmaceuticals over the Internet. The FBI's Internet Pharmaceutical Fraud Initiative is working with the Drug Enforcement Administration, and other federal, state, local and international law enforcement partners to combat this crime and dismantle the responsible criminal enterprises," said FBI Director Robert Mueller. "Illegal pharmaceuticals pose a great risk to the health and welfare of the American public. These drugs are being manufactured overseas in unregulated facilities, smuggled into the United States in an uncontrolled environment, and distributed without oversight of a licensed physician or pharmacist."

"Operation Cyber Chase sends an instant message to 'cybercriminals' that the Internet is not their safehouse. Criminals, disguised as entrepreneurs, use the Internet to invade your home and push their poison. Whether the battle is on the street or on the Web, the outcome remains the same: Postal Inspectors will continue working with our law enforcement partners to bring offenders to justice," said Chief Postal Inspector Lee R. Heath.

"Consumers ordering prescription drugs from a website they're not familiar with put themselves in a 'buyer beware' situation," said John Taylor, Associate Commissioner for Regulatory Affairs, Food and Drug Administration. "The medications may be coming from unknown sources, may not be stored or labeled properly, and may not meet quality assurance standards designed to produce safe and effective products. Many of the safeguards that exist for brick and mortar pharmacies do not exist for Internet Pharmacies and the potential for harmful drug interactions is magnified."

"The combined efforts of law enforcement agencies in an investigation of this magnitude produce a formidable force against narcotics trafficking and money laundering. Individuals and businesses utilizing the Internet to sell pharmaceuticals are bound by the same laws and regulations that apply to the corner drug store," said Nancy Jardini, Chief, IRS Criminal Investigation. "The link between where the money comes from, who gets it, when it is received, and where it is stored or deposited, can provide evidence that a crime was committed. Finding and connecting those links is what IRS brings to this cooperative effort."

In early April, the Grand Jury in the Eastern District of Pennsylvania and in the Eastern District of New York issued indictments charging the following: 21 U.S.C. § 841 Illegal Distribution of Controlled Substances, 21 U.S.C. § 846 Conspiracy to Distribute Controlled Substances, 21 U.S.C. § 848 Continuing Criminal Enterprise, 21 U.S.C. § 963 Conspiracy to Import Controlled Substances, 21 U.S.C. § 331(a) Introduction of Misbranded Drugs into Interstate Commerce, 18 U.S.C. § 1956(h) Conspiracy to Commit Money Laundering, 18 U.S.C. § 1956(a)(1) Promotional Money Laundering, 18 U.S.C. § 1956(a)(2) International Money Laundering, 18 U.S.C. § 1957 Transactional Money Laundering, 18 U.S.C. § 982 Criminal Forfeiture, 21 U.S.C. § 853 Criminal Forfeiture, 21 U.S.C. § 970 Criminal Forfeiture and 18 U.S.C. § 2 Aiding and Abetting

This indictment also seeks forfeiture of 41 bank accounts, 26 in the U.S. and the remaining in Cyprus, India, Singapore, the Channel Islands, Isle of Man, West Indies, Antigua, and Ireland. Illegal financial transactions listed in the indictment total more than \$6 million with restitution sought for that amount.

During January 2005, DEA launched a toll-free international hotline—1-877-RxAbuse for the public to anonymously report the illegal sale and abuse of prescription drugs. DEA has received hundreds of tips already, including those about suspicious Internet pharmacies, and this information is assisting DEA to bring drug dealers to justice.

The following foreign and domestic agencies participated in Operation Cyber Chase:

Domestic

LOCATION	ENTITY
Philadelphia	ICE Drug Enforcement Administration Internal Revenue Service Federal Bureau of Investigation, Healthcare Fraud Food and Drug Administration United States Postal Service Chester City Police Department Delaware County CID
New York	ICE DEA Rochester – DEA Food and Drug Administration Postal Inspectors New York Police Department
Long Island	DEA
Special Operations Division Department of Justice	Pharmaceutical and Chemical Coordination Unit Narcotics and Dangerous Drug Section

Foreign

LOCATION	ENTITY
Australia	DEA – Canberra Australian Federal Police
India	DEA – New Delhi Narcotics Control Board
Costa Rica	DEA
Canada	Royal Canadian Mounted Police

ICE

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of five integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.